



**CLEARANCE CAPITAL**

Real estate alternatives

## Clearance Capital Limited

MIFIDPRU 8.1 Disclosure

For the year ended 31 December 2023

## MIFIDPRU 8.1 Disclosure

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In terms of MIFIDPRU 8.1 of the FCA Handbook, Clearance Capital Limited (the “**Firm**”) is required to make the following disclosures regarding its remuneration policy and practices:

### **Approach to remuneration for all staff and objectives of the financial incentives**

The Firm’s primary objective is to advance the interests of its investors by generating the best risk-adjusted returns by following an established, well-defined, and evolving investment process within the bounds of each investment strategy’s risk management framework. In order to execute its strategy, the Firm needs to attract, develop, retain and motivate outstanding professionals to execute its strategy in each area of the Firm’s operations. The remuneration practices of the firm are an important process to achieve this objective.

The Firm has adopted a Remuneration Code Procedures, Systems and Controls Policy setting out the principles that guide its approach to remuneration. The Firm is bound by both the MIFIDPRU and AIFM Remuneration Code and complies with the most stringent provisions of each.

The Firm’s remuneration practices seek to avoid all forms of discriminatory practices. By focusing on a structured, consistent assessment of key performance indicators that cover both qualitative and quantitative aspects of each person’s performance, the Firm avoids allowing gender, race, nationality, sexual orientation, marital status, pregnancy, disability, or age to impact any individual’s remuneration.

The Firm safeguards its reputation with a steadfast commitment to maintaining a robust, efficient and reliable operational platform, regulatory compliance, and upholding the highest standards of fair market practices. The Firm’s remuneration practices promote these objectives by rewarding high levels of personal and professional conduct.

The Firm’s remuneration practices also take account of the Firm’s profitability and capital reserves to ensure the Firm’s financial strength is maintained and the long-term viability of its remuneration practices.

The objectives of the Firm’s remuneration practices are:

- Reward outstanding performance,
- Align the financial interests of staff to those of the Firm’s clients,
- Promote the Firm’s business strategy and values, and reward staff for enhancing the value of the Firm,
- Promote a healthy, disciplined approach to risk management, and
- Promote a culture amongst staff of saving and investment of personal wealth.

The Firm’s financial incentives are:

- Fixed remuneration, including salaries, contributions to staff’s pension accounts, and other benefits, and
- Variable bonuses.

The Firm also offers staff the opportunity to participate in unique co-investment opportunities.

All staff are eligible to receive bonuses and participate in co-investment opportunities.

### **Decision-making procedures and governance**

The Firm’s Management Committee has the responsibility to develop and implement remuneration policies and practices that comply with the MIFIDPRU Remuneration Code.

The Committee determines the level of increases to be applied to fixed salaries taking account of the Firm’s forecast earnings and salaries offered by industry peers for comparable roles. Fixed remuneration reflects a staff member’s professional experience and organizational responsibility.

The Management Committee has the responsibility to set the size of the bonus pool taking the Firm’s profit for the period into account. Bonuses awarded to individuals from the pool are determined by the Committee on a completely discretionary basis based on the members’

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assessment of key performance indicators. Non-financial criteria form a significant part of the performance assessment process and include metrics on each individual's conduct, including the individual's commitment to effective risk management and compliance with relevant regulatory requirements.

The Management Committee consists of the executive directors of the Firm along with a non-executive director of the Firm's parent company, Clearance Capital (Cayman) Limited.

The Firm ensures that the fixed and variable components of an individual's total remuneration are appropriately balanced. In determining this balance, the Firm considers the impact that different categories of staff have on the risk profile of the Firm or of the assets it manages. No individual should be dependent on variable remuneration to an extent likely to encourage them to take risks outside the risk appetite of the Firm.

### **Total amount of remuneration awarded**

For the year ended 31 December 2023, being the relevant performance period, the following remuneration was awarded:

	<b>2023</b>	<b>2022</b>
Fixed remuneration	2,148,213	1,947,379
Variable remuneration	2,355,250	614,000
<b>Total remuneration</b>	<b>4,503,463</b>	<b>2,561,379</b>

The table above includes pension and medical insurance costs and excludes social security costs and tax.